

**PARALLEL MINING CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**YEAR ENDED MAY 31, 2025**

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**OVERVIEW**

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The following management’s discussion and analysis (“**MDA**”), prepared on September 26, 2025, should be read in conjunction with the audited consolidated financial statements for the year ended May 31, 2025. All amounts are stated in Canadian dollars unless otherwise indicated. These financial statements together with this MDA are intended to provide shareholders with a reasonable basis for assessing the financial performance of Parallel Mining Corp. (the “**Company**”).

The address of the Company’s corporate office and principal place of business is Suite 1100 – 1111 Melville Street, Vancouver, BC, V6E 3V6.

Additional information related to the Company is available for view on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) or by requesting further information from the Company’s head office in Vancouver.

This MDA contains certain statements that may be deemed or imply “forward-looking statements,” within the meaning of certain Canadian securities laws. Forward-looking statements can usually be identified by words such as: “future”, “plans”, “scheduled”, “expects”, “intends”, “estimates”, “forecasts”, “will”, “may”, “could”, “would”, and variations thereof. Such forward-looking statements, including but not limited to those with respect to the political and market conditions in Ethiopia including potential political instability in the Tigray region, the ability of the Company to obtain the necessary financing to advance exploration on its mineral projects in Ethiopia, price of gold, costs and timing of exploration projects, the ability to maintain the Company’s Ethiopian exploration licenses in good standing, receipt of required regulatory approvals required to conduct exploration programs and advance projects in Ethiopia, including local, state and federal authorities and regulators in Ethiopia, receipt of exploration license renewals, the ability to convert exploration licenses into mining licenses required to further advance the project, and other factors and events described in this MDA involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on current expectations that involve certain risks, uncertainties and assumptions. Statements and assumptions relating to the foregoing involve judgments with respect to, among other things, market conditions for gold companies and Ethiopian mining companies not supporting the ability of the Company to raise additional capital to fund exploration programs, future economic, competitive and market conditions for the gold mining business generally, results of exploration and technical challenges limiting the Company’s ability to advance its projects, changes in political climate or regulations affecting the mineral licenses, foreign operations risks generally, and other risks all of which are difficult or impossible to predict accurately and many of which underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements.

The Company cautions that the foregoing list of material factors is not exhaustive. When relying on the Company’s forward-looking information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

Forward-looking statements are based on management’s current plans, estimates, projections, beliefs, and opinions and we do not undertake any obligation to update forward-looking statements should the assumptions related to these plans, estimates, projections, beliefs and opinions change, except as required by securities law. Although the Company believes that these statements are based on reasonable assumptions, all forward-looking statements involve known and unknown risks and uncertainties that may cause the actual performance, events, or circumstances of the Company to be materially different than anticipated. The forward-looking information in this MDA describes the Company’s expectations as of the date of this MDA.

### Qualified Professional

Ian Cooper, B.Sc., A.R.S.M., F.G.S., F.A.I.M.M., serves as a director and Technical Lead to the Company and is the Qualified Person, as defined by National Instrument 43-101, responsible for reviewing and approving the technical content of all materials publicly disclosed by Parallel Mining Corp., including the contents of this MDA. Mr. Cooper has reviewed and approved the technical disclosure in this MDA.

### **DESCRIPTION OF BUSINESS**

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The Company was incorporated under the *Business Corporations Act* (British Columbia) on April 18, 2007 under the name Parallel Capital Corp. On December 17, 2009, the Company changed its name to Parallel Resources Ltd., and further changed its name to Parallel Mining Corp. on December 19, 2011. The Company delisted its common shares from the TSX-Venture Exchange (“TSX-V”) on March 8, 2022 and is currently evaluating the relisting of its common shares on a suitable public stock exchange.

The Company is engaged in the acquisition, exploration and development of exploration and evaluation assets.

### **OVERVIEW**

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As the Company is focused on its exploration activities, there is no production, sales or inventory in the conventional sense. The recoverability of costs capitalized to mineral property interests and the Company’s future financial success will be dependent upon the extent to which it can discover mineralization and determine the economic viability of developing such properties. Such development may take years to complete and the amount of resulting income, if any, is difficult to determine with any certainty at this time. Many of the key factors are outside of the Company’s control.

#### **Properties**

##### Lightning Property - License MOM\EL\00393\2020

On August 24, 2020, the Company applied for an exploration license from the MoMP of the Federal Democratic Republic of Ethiopia for exploration license number MOM\EL\00393\2020 located in Tigray, Ethiopia. The exploration license was granted on July 9, 2021. The exploration license was valid for a period of 3 years with an option to renew on or before 60 days prior to expiry of the term. The license has been renewed until July 8, 2027. During the year ended May 31, 2025, the Company incurred \$2,507 (2024 - \$Nil) in acquisition costs related to the Lightning Property.

##### Star Property - License MOM\EL\00057\2021

On July 8, 2021, the Company received an exploration license from the MoMP of the Federal Democratic Republic of Ethiopia for exploration license number MOM\EL\00057\2021 located in Tigray, Ethiopia. The exploration license was valid for a period of 3 years with an option to renew on or before 60 days prior to expiry of the term. The license has been renewed until July 8, 2027. During the year ended May 31, 2025, the Company incurred \$2,556 (2024 - \$Nil) in acquisition costs related to the Star Property.

##### Wing Property - License MOM\EL\00206\2020

On September 28, 2020, the Company previously entered into a definitive property purchase agreement (the “Agreement”) with Tigray Holdings Corp. (“Tigray”) and Tigray’s wholly owned subsidiary in Ethiopia, for the acquisition (the “Acquisition”) of a 95% interest in certain property licenses granted by the Ethiopian government. Upon delisting from the TSX-V, the Company and Tigray mutually agreed upon the revised timing of the initial consideration until the Company’s common shares are listed on another stock exchange, with all other terms of the agreement remaining intact. Consideration for the licenses included:

- (a) cash payment of \$317,083 (\$250,000 USD) (paid) on January 25, 2022;
- (b) the issuance of 28,500,000 common shares of the Company; and
- (c) the grant of a 2% NSR, subject to the Company’s option and right to buy back 50% of the 2% net smelter return royalty at any time for the sum of \$1,000,000 USD.

During the year ended May 31, 2022, the Company incurred a total of \$319,797 in acquisition costs related to the Wing Property, which remain as recorded in prepaids at May 31, 2025 and 2024. Upon the satisfaction of certain conditions precedent to completion, these such costs will be reallocated to exploration and evaluation assets. To May 31, 2025, and subsequently, the conditions precedent to completion have not been satisfied.

#### Force majeure

In November 2020, armed conflicts broke out in the Tigray Region of northern Ethiopia and a state of emergency was declared in the Tigray Region by the Federal Democratic Republic of Ethiopia government. The Company immediately suspended all work programs and invoked force majeure by notification to Ethiopia's Ministry of Mines and Petroleum ("MoMP"). The Company received letters from the MoMP confirming that the Ministry had accepted the force majeure declaration on its exploration licenses. During force majeure, all work and contractual commitments on the Company's exploration projects were deferred until it was deemed safe and stable by the Company to resume exploration work in the region. During the year ended May 31, 2024, the Company received a letter from the Interim Regional Administration of Tigray, Office of the President, confirming the ending of the force majeure period in the Tigray region.

### **SELECTED ANNUAL INFORMATION**

|                                 | Years Ended May 31, |           |           |
|---------------------------------|---------------------|-----------|-----------|
|                                 | 2025                | 2024      | 2023      |
|                                 | -\$-                | -\$-      | -\$-      |
| Net loss and comprehensive loss | (477,978)           | (435,963) | (854,757) |
| Loss per share                  | (0.01)              | (0.01)    | (0.03)    |
| Total assets                    | 1,354,876           | 1,207,548 | 954,295   |
| Total liabilities               | 2,209,067           | 2,117,141 | 1,678,669 |
| Total equity (deficit)          | (854,191)           | (909,593) | (724,374) |

#### **YEAR ENDING MAY 31, 2025**

During the year ended May 31, 2025, the Company continued to seek additional financing and opportunities in Ethiopia. The Company incurred a net loss of \$477,978 during the year ended May 31, 2025, compared to a net loss of \$435,963 incurred in the prior year. The largest changes were an increase of consulting fees of \$37,374, professional fees of \$22,384 and foreign exchange loss of \$17,569. Professional fees increased as a result of additional legal fees incurred to respond to regulators as the Company worked towards removing its ceased trade order issued by the BCSC relating to continuous disclosure requirements. Interest costs were lower by \$9,027 and property investigation costs were lower by \$24,995. Interest costs went down as the Company had paid down one of its loans during the year. Property investigations were lower as the Company curtailed activities to conserve cash. A consultant agreed to write off accounts payable of \$21,350. All other expenses remained relatively similar to the prior year.

#### **YEAR ENDING MAY 31, 2024**

During the year ended May 31, 2024, the Company continued to seek additional financing and opportunities in Ethiopia. The Company incurred a net loss of \$435,963 during the year ended May 31, 2024, compared to a net loss of \$854,757 incurred in the prior year. The largest change was a decrease of consulting fees of \$173,131 as the Company curtailed the use of consultants in 2024 to conserve cash. Foreign exchange loss decreased to \$8,228 from \$100,555 on loans payable that are denominated in US dollars. In 2024, the Company repaid a loan of US\$40,000 which resulted in a reduction of foreign exchange loss. The Company still has loans payable denominated in US dollars of \$900,000 at the end of the year. Professional fees were lower by \$55,456 from \$148,511 to \$93,055 due to decreased legal fees incurred in 2024. Investor relations costs decreased by \$26,244 to \$25,715 from \$51,959 and general travel costs were lower by \$58,668 as the Company curtailed activities in these areas, especially reducing costs related to attending trade shows. Overall, the Company reduced general and

miscellaneous related costs due to lower activity during the year and a lack of funds. All other expenses remained relatively similar to the prior year.

## SUMMARY OF QUARTERLY FINANCIAL RESULTS

The following is a summary of selected financial information compiled from the quarterly interim unaudited consolidated financial statements for the eight quarters ended from August 31, 2023 to May 31, 2025:

|                         | Three months ended: |              |              |            |
|-------------------------|---------------------|--------------|--------------|------------|
|                         | May 31,             | February 28, | November 30, | August 31, |
|                         | 2025                | 2025         | 2024         | 2024       |
|                         | -\$-                | -\$-         | -\$-         | -\$-       |
| Total revenue           | -                   | -            | -            | -          |
| Net loss for the period | (88,261)            | (155,384)    | (159,908)    | (74,425)   |
| Loss per share          | (0.00)              | (0.01)       | (0.01)       | (0.01)     |
|                         | May 31,             | February 29, | November 30, | August 31, |
|                         | 2024                | 2024         | 2023         | 2023       |
|                         | -\$-                | -\$-         | -\$-         | -\$-       |
| Total revenue           | -                   | -            | -            | -          |
| Net loss for the period | (153,695)           | (78,206)     | (91,603)     | (112,459)  |
| Loss per share          | (0.01)              | (0.01)       | (0.01)       | (0.01)     |

### THREE MONTHS ENDING MAY 31, 2025

The Company incurred a net loss of \$88,261 for the three months ended May 31, 2025 (2024 – \$153,695). Overall expenses decreased by \$44,084. Foreign exchange decreased by \$94,828 as a result of holding loans payable denominated in US dollars. The Company paid down one of its loans which decreased interest expense by \$4,846. Professional fees increased by \$10,448 as the Company incurred legal fees relating to its ceased trade order revocation. Consulting fees were higher by \$14,374 as payments were made to a consultant who was assisting the Company with the administration of the Company's property licenses in Ethiopia. A consultant agreed to write off accounts payable of \$21,350 which resulted in a gain in the period. All other expenses remained relatively similar between the periods.

The Company had no sources of operating revenues during the three months ended May 31, 2025.

### LIQUIDITY AND CAPITAL RESOURCES

The Company is in the exploration stage and has not yet determined whether its mineral properties contain reserves. The recoverability of amounts capitalized for mineral property interests is entirely dependent upon the existence of reserves, the ability of the Company to obtain the necessary financing to complete exploration and development and upon future profitable production. The Company knows of no trends, demands, commitments, events or uncertainties that may result in the Company's liquidity either materially increasing or decreasing at the present time or in the foreseeable future.

During the year ended May 31, 2025, the Company issued 580,000 common shares towards a private placement financing arrangement at a price of \$0.15 per share for total proceeds of \$87,000. The Company paid \$3,620 in share issuance costs in connection with the financing.

Additionally, the Company also received proceeds of \$450,000 towards a private placement at \$0.15 per share. The shares have not been issued to date.

During the year ended May 31, 2024, the Company issued 4,645,000 common shares towards a private placement financing arrangement at a price of \$0.15 per share for total proceeds of \$696,750 of which \$442,500 was reallocated from subscriptions received to share capital. The Company paid \$3,506 in share issuance costs in connection with the financing.

The Company and each of the lenders have entered into an amendment to the underlying loan agreement whereby the maturity date for each of the loans has been amended to September 6, 2026. The following loans payable were due as at May 31, 2025:

- a) On January 20, 2021, the Company entered into a loan agreement with a third party for a principal balance of \$50,554 (\$40,000 USD). The loan was unsecured, bore interest at a rate of 10% per annum and was due on or before September 6, 2024. During the year ended May 31, 2024, the Company repaid the principal balance in full and the interest accrued is still outstanding. To May 31, 2025, the Company had recorded a \$2,692 (May 31, 2024 - \$2,566) foreign exchange loss on the balance and accrued a total of \$15,036 (May 31, 2024 - \$15,036) in interest.
- b) On July 1, 2021, the Company entered into a loan agreement with Tigray Holdings Corp. whereby the Company borrowed a principal sum of \$247,060 (\$200,000 USD). The loan is unsecured, bears interest at a rate of 10% per annum and is due on or before September 6, 2026. During the year ended May 31, 2025, the Company repaid \$205,530 (\$143,856 USD) of the principal balance. As at May 31, 2025, the Company has recorded a \$11,015 (May 31, 2024 - \$28,276) foreign exchange loss on the balance and accrued a total of \$96,831 (May 31, 2024 - \$76,878) in interest.
- c) On July 15, 2021, the Company entered into a loan agreement with a director of the Company (the “Lender”) whereby the Company borrowed a principal sum of \$881,230 (\$700,000 USD). The loan is unsecured, bears interest at a rate of 10% per annum and is due on or before September 6, 2026. As at May 31, 2025, the Company has recorded a \$91,595 (May 31, 2024 - \$82,110) foreign exchange loss on the balance and accrued a total of \$362,002 (May 31, 2024 - \$264,442) in interest.

Material increases or decreases in the Company’s liquidity are substantially determined by the success or failure of the Company’s exploration programs and overall market conditions for smaller mineral exploration companies. As a result, the Company has incurred losses. This result is typical of smaller exploration companies and will continue unless positive cash flow is achieved.

The Company’s business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, relations between NATO and Russian Federation regarding the situation in Ukraine, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company’s business. The impact on the Company is not currently determinable but management continues to monitor the situation.

The Company is also monitoring the situation in the Tigray region of Ethiopia where access to the Company’s properties may be hindered by the current political climate in the region. This has delayed the Company’s ability to carry out its exploration program on its properties. The Company is not required to meet any specific exploration commitments aside from keeping its mineral property licenses in good standing with the Ministry of Mines in Ethiopia.

The following table contains selected financial information of the Company’s liquidity:

|                              | May 31,<br>2025 | May 31,<br>2024 |
|------------------------------|-----------------|-----------------|
|                              | -\$-            | -\$-            |
| Cash                         | 11,419          | 18,326          |
| Working capital (deficiency) | (2,179,914)     | (2,085,668)     |

Ongoing operating expenses and exploration costs continue to reduce the Company’s cash resources and working capital.

At May 31, 2025, the Company had \$11,419 in cash (May 31, 2024 - \$18,326) and a working capital deficiency of \$2,179,914 (May 31, 2024 - \$2,085,668) incurring a net loss for the year of \$477,978 (2024 - \$435,963) with a cumulative deficit of \$11,815,505 (May 31, 2024 - \$11,337,527). The Company will require additional funding and support from its lenders to carry on with its operations.

## Stock Options

The Company has a stock option plan that allows it to grant options to its directors, officers, employees and consultants, provided that the aggregate number of options granted shall not at any time exceed 10% of the total number of issued and outstanding common shares of the Company. The exercise price of each option may not be less than the fair market price of the Company's shares as traded on a stock exchange at the time of grant. Options have a maximum term of five years and vesting of options is made at the discretion of the board at the time the options are granted.

At May 31, 2025 and 2024, there were no options outstanding.

## Share Purchase Warrants

At May 31, 2025 and 2024, there are no warrants outstanding for the purchase of common shares.

## RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all Directors and Officers of the Company to be key management personnel. Except as disclosed elsewhere in these consolidated financial statements, related party transactions and balances are detailed below.

At May 31, 2025, included in accounts payable and accrued liabilities are amounts owing to directors and officers or companies owned by directors and officers of \$328,594 (2024 - \$236,171). Of the amount owing, \$183,694 is owing to the CEO and his company, \$81,900 is owing to a company controlled by the CFO and \$63,000 is owing to the Company's Corporate Secretary and his company. Amounts owing are unsecured, non-interest bearing and due upon demand.

During the year ended May 31, 2025, the Company incurred management fees of \$84,000 (2024 - \$84,000) of which \$48,000 (2024 - \$48,000) were to a company controlled by the CEO and \$36,000 (2024 - \$36,000) to a company controlled by the CFO; rent of \$12,000 (2024 - \$12,000) and accrued interest of \$97,560 (2024 - \$94,774) to the CEO, secretarial services recorded in professional fees of \$15,000 (2024 - \$15,000) and property investigation costs of \$15,000 (2024 - \$15,000) to a company controlled by the Corporate Secretary and rent of \$11,500 (2024 - \$nil) to a company related by a common director.

## FINANCIAL INSTRUMENTS & RISK MANAGEMENT

### Financial Instruments and Risk Management

#### Fair Value

The Company has various financial instruments comprised of cash, accounts payable and loan payable.

For disclosure purposes, all financial instruments measured at fair value are categorized into one of six hierarchy levels, described below. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities:

- Level 1 – Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.
- Level 3 – Applies to assets or liabilities for which there are unobservable market data.

The Company holds cash which is measured at fair value using Level 1 inputs.

Due to the relatively short-term nature of accounts payable, accrued liabilities and loans payable, the fair value of these instruments approximate their carrying values.

Risk management is carried out by the Company's management team with guidance from the Board of Directors. The Company's risk exposures and their impact on the Company's financial instruments are summarized below:

### **Credit Risk**

The Company's credit risk is primarily attributable to cash and receivables. The cash is primarily held with reputable banks in Canada and Ethiopia, which is closely monitored by management. Management believes that the credit risk concentration with respect to cash is minimal. Receivables comprise entirely of GST recoverable.

### **Liquidity Risk**

The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash, and its ability to raise debt and/or equity financings. The Company will require additional funding to meet its short-term liabilities and administrative overhead costs, and to pursue future mineral property interest acquisitions. Accounts payable and accrued liabilities are due in accordance with normal terms of trade and are payable within the current operating period.

### **Market Risk**

#### ***Interest Rate Risk***

The Company had cash balances, and fixed rate interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its banks.

#### ***Foreign Currency Risk***

The Company's functional currency and the reporting currency is the Canadian dollar ("CDN\$"). The Company manages its operations and expenditures in Ethiopia to minimize exposure to these foreign currency risk.

However, the Company is exposed to foreign currency risk to the extent that certain monetary financial instruments and other assets are denominated in United States dollars and Ethiopian Birr. The Company has not entered into any foreign currency contracts or hedging activities to mitigate any gains or losses which may arise as a result of exchange rate changes. The Company is exposed to significant foreign currency risk as the amount of loans payable denominated in United States dollars.

#### ***Commodity Price Risk***

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. To mitigate price risk, the Company closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

## **ADDITIONAL INFORMATION**

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### **Off-Balance Sheet Arrangements**

As at the current date, the Company had no off balance sheet arrangements.

### **Legal Proceedings**

As at the current date, management was not aware of any legal proceedings involving the Company.

### **Subsequent events**

The Company amended the term of certain loans payable subsequent to year-end May 31, 2025.

## Outstanding Share Data

As at the current date, the Company has 37,025,084 common shares outstanding.

As at the current date, the Company has no warrants outstanding.

## Contingent Liabilities

As at the current date, management was not aware of any outstanding contingent liabilities relating to the Company's activities. Any forward-looking information in this MDA is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the company, and other factors.

## CRITICAL ACCOUNTING ESTIMATES

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The preparation of financial statements in compliance with IFRS requires management to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates and assumptions.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are continuously evaluated and reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

### Significant accounting judgements

- a) The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operation expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances; and
- b) The assessment of indications of impairment of each mineral property requires significant management judgment.

## CAPITAL DISCLOSURE

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The Company was formed for the purpose of acquiring exploration and development stage natural resource properties. The Board determines the Company's capital structure and makes adjustments to it based on funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board has not established a quantitative return on capital criteria for capital management.

The Company is dependent upon external financing to fund future exploration programs and its administrative costs. The Company will spend existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and to seek to acquire an interest in additional properties if management feels there is sufficient geologic or economic potential, provided it has adequate financial resources to do so.

The Board reviews its capital management approach on an ongoing basis and believes that its approach, given the relative size of the Company, is reasonable.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company considers the items included in the shareholders' deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, sell assets to reduce debt or return capital to shareholders.

There were no changes in the Company's approach to capital management during the year-ended May 31, 2025. The Company is not subject to externally imposed capital requirements.

## **RECENT ACCOUNTING PRONOUNCEMENTS**

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### **New accounting standards issued but not yet effective**

Certain new standards, interpretations and amendments to existing standards have been issued by the International Accounting Standards Board or the International Financial Reporting Interpretations Committee that are mandatory for later periods. Refer to Note 2 of the Company's consolidated financial statements for the year ended May 31, 2025 for details on the standards.

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION**

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The Company's financial statements and the other financial information included in this MDA are the responsibility of the Company's management and have been examined and approved by the Board. The financial statements were prepared by management in accordance with IFRS and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities. The Board supervises the financial statements and other financial information through its audit committee.

This committee's role is to examine the financial statements and recommend that the Board approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

## **DIRECTORS**

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Certain directors of the Company are also directors, officers and/or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any directors in a conflict will disclose their interests and abstain from voting in such matters. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

As at the date hereof, the current directors of the Company are John Anderson, Allan Fabbro, Ian Cooper and John Newell.